

Bill No. CS for SB 888

Barcode 682708

CHAMBER ACTION

Senate

House

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Comm: RCS  
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The Committee on Environmental Preservation (Constantine)  
recommended the following amendment:

**Senate Amendment (with title amendment)**

On page 25, line 5, through  
page 38, line 29, delete those lines

and insert: to the state. This act is also intended to  
provide incentives for energy-efficient appliances and rebates  
for installations of solar energy equipment in residential and  
commercial buildings.

Section 7. Section 377.803, Florida Statutes, is  
created to read:

377.803 Definitions.--As used in this act, the term:

(1) "Act" means the Florida Renewable Energy  
Technologies and Energy Efficiency Act.

(2) "Approved metering equipment" means a device  
capable of measuring the energy output of a solar thermal  
system that has been approved by the commission.

(3) "Commission" means the Florida Public Service  
Commission.

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1       (4) "Department" means the Department of Environmental  
2 Protection.

3       (5) "Energy Star qualified appliance" means a  
4 refrigerator, residential model clothes washer including a  
5 residential style coin operated clothes washer, or dishwasher  
6 that has been designated by the United States Environmental  
7 Protection Agency and the United States Department of Energy  
8 as meeting or exceeding the energy saving efficiency  
9 requirements under each agency's Energy Star program.

10       (6) "Person" means an individual, partnership, joint  
11 venture, private or public corporation, association, firm,  
12 public service company, or any other public or private entity.

13       (7) "Renewable energy" means electrical, mechanical,  
14 or thermal energy produced from a method that uses one or more  
15 of the following fuels or energy sources: hydrogen, biomass,  
16 solar energy, geothermal energy, wind energy, ocean energy,  
17 waste heat, and hydroelectric power.

18       (8) "Renewable energy technology" means any technology  
19 that generates or utilizes a renewable energy resource.

20       (9) "Solar energy system" means equipment that  
21 provides for the collection and use of incident solar energy  
22 for water heating, space heating or cooling, or other  
23 applications that normally require a conventional source of  
24 energy such as petroleum products, natural gas, or electricity  
25 and that performs primarily with solar energy. In other  
26 systems in which solar energy is used in a supplemental way,  
27 only those components that collect and transfer solar energy  
28 shall be included in this definition. The term "solar energy  
29 system" does not include a swimming pool heater.

30       (10) "Solar photovoltaic system" means a device that  
31 converts incident sunlight into electrical current.

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1       (11) "Solar thermal system" means a device that traps  
2 heat from incident sunlight in order to heat water.

3           Section 8. Section 377.804, Florida Statutes, is  
4 created to read:

5           377.804 Renewable Energy Technologies Grants  
6 Program.--

7           (1) The Renewable Energy Technologies Grants Program  
8 is established within the department to provide renewable  
9 energy matching grants for demonstration, commercialization,  
10 research, and development projects relating to renewable  
11 energy technologies.

12           (2) Matching grants for renewable energy technology  
13 demonstration, commercialization, research, and development  
14 projects may be made to any of the following:

15           (a) Municipalities and county governments.

16           (b) Established for-profit companies licensed to do  
17 business in the state.

18           (c) Universities and colleges in the state.

19           (d) Utilities located and operating within the state.

20           (e) Not-for-profit organizations.

21           (f) Other qualified persons, as determined by the  
22 department.

23           (3) The department may adopt rules pursuant to ss.  
24 120.536(1) and 120.54 to provide for application requirements,  
25 provide for ranking of applications, and administer the  
26 awarding of grants under this program.

27           (4) Factors the department shall consider in awarding  
28 grants include, but are not limited to:

29           (a) The availability of matching funds or other  
30 in-kind contributions applied to the total project from an  
31 applicant. The department shall give greater preference to

1 projects that provide such matching funds or other in-kind  
2 contributions.

3 (b) The degree to which the project stimulates  
4 in-state capital investment and economic development in  
5 metropolitan and rural areas, including the creation of jobs  
6 and the future development of a commercial market for  
7 renewable energy technologies.

8 (c) The extent to which the proposed project has been  
9 demonstrated to be technically feasible based on pilot-project  
10 demonstrations, laboratory testing, scientific modeling, or  
11 engineering or chemical theory that supports the proposal.

12 (d) The degree to which the project incorporates an  
13 innovative new technology or an innovative application of an  
14 existing technology.

15 (e) The degree to which a project generates thermal,  
16 mechanical, or electrical energy by means of a renewable  
17 energy resource that has substantial long-term production  
18 potential.

19 (f) The degree to which a project demonstrates  
20 efficient use of energy and material resources.

21 (g) The degree to which the project fosters overall  
22 understanding and appreciation of renewable energy  
23 technologies.

24 (h) The ability to administer a complete project.

25 (i) Project duration and timeline for expenditures.

26 (j) The geographic area in which the project is to be  
27 conducted in relation to other projects.

28 (k) The degree of public visibility and interaction.

29 (5) The department shall solicit the expertise of  
30 other state agencies when evaluating project proposals. State  
31 agencies shall cooperate with the Department of Environmental

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1 Protection and provide such assistance as requested.

2 Section 9. Section 377.805, Florida Statutes, is  
3 created to read:

4 377.805 Energy Efficient Appliance Rebate Program.--

5 (1) The Energy Efficient Appliances Rebate Program is  
6 established within the department to provide for financial  
7 incentives for the purchase of Energy Star qualified  
8 appliances as specified in this section.

9 (2) Any resident of the state who purchases a new  
10 Energy Star qualified appliance from July 1, 2006, through  
11 June 30, 2010, from a retail store in the state is eligible  
12 for a rebate of a portion of the purchase price of that Energy  
13 Star qualified appliance.

14 (3) The department shall adopt rules pursuant to ss.  
15 120.536(1) and 120.54 to designate rebate amounts and  
16 administer the issuance of rebates. The department's rules may  
17 include separate incentives for low-income families to  
18 purchase Energy Star qualified appliances.

19 (4) Application for a rebate must be made within 90  
20 days after the purchase of the Energy Star qualified  
21 appliance.

22 (5) A person is limited to one rebate per type of  
23 appliance per year.

24 (6) The total dollar amount of all rebates issued by  
25 the department is subject to the total amount of  
26 appropriations in any fiscal year for this program. If funds  
27 are insufficient during the current fiscal year, any requests  
28 for rebates received during that fiscal year may be processed  
29 during the following fiscal year. A request for rebate  
30 received in one fiscal year but processed during the following  
31 fiscal year shall be given priority over requests for rebates

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1 that are applied for during that following fiscal year.

2 (7) The department shall determine and publish on a  
3 regular basis the amount of rebate funds remaining in each  
4 fiscal year.

5 Section 10. Section 377.806, Florida Statutes, is  
6 created to read:

7 377.806 Solar Energy System Rebate Program.--

8 (1) The Solar Energy System Rebate Program is  
9 established within the department to provide for financial  
10 incentives for the purchase of solar energy systems.

11 (2) Any person who is a resident of this state and who  
12 purchases a new solar energy system from July 1, 2006, through  
13 June 30, 2010, of 2 kilowatts or larger for a solar  
14 photovoltaic system, or a solar energy system that provides at  
15 least 50 percent of a building's hot water consumption for a  
16 solar thermal system, and has the system installed by a  
17 certified solar contractor, is eligible for a rebate.

18 (3)(a) A solar photovoltaic system qualifies for a  
19 rebate if:

20 1. The system is installed by a state-licensed master  
21 electrician, electrical contractor, or solar contractor.

22 2. The system complies with state interconnection  
23 standards as provided by the commission.

24 3. The system complies with all applicable building  
25 codes as defined by the local jurisdictional authority.

26 (b) The rebate amount for a solar photovoltaic system  
27 shall be set at \$4 per watt based on the total wattage rating  
28 of the system. The maximum allowable rebate per solar  
29 photovoltaic system installation shall be as follows:

30 1. For a residence ..... \$20,000.

31 2. For a place of business, a publicly owned or

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1 operated facility, or a facility owned or operated by a  
2 private, not-for-profit organization .....  
3 \$100,000.

4 (4)(a) A solar thermal system qualifies for a rebate  
5 if:

6 1. The system is installed by a state-licensed solar  
7 or plumbing contractor.

8 2. The system complies with all applicable building  
9 codes as defined by the local jurisdictional authority.

10 (b) The authorized rebates for the installation of a  
11 solar thermal system shall be as follows:

12 1. For a residence, the rebate amount is \$500.

13 2. For a place of business, a publicly owned or  
14 operated facility, or a facility owned or operated by a  
15 private, not-for-profit organization, the rebate amount is \$15  
16 per 1,000 BTU, as verified through the use of approved  
17 metering equipment. The maximum allowable rebate is \$5,000.

18 (5) The department shall adopt rules pursuant to ss.  
19 120.536(1) and 120.54 to designate rebate amounts and  
20 administer the issuance of rebates.

21 (6) Application for a rebate must be made within 90  
22 days after the purchase of the solar energy equipment.

23 (7) Rebates are limited to two per person.

24 (8) The total dollar amount of all rebates issued by  
25 the department is subject to the total amount of  
26 appropriations in any fiscal year for this program. If funds  
27 are insufficient during the current fiscal year, any requests  
28 for rebates received during that fiscal year may be processed  
29 during the following fiscal year. A request for rebate  
30 received in one fiscal year but processed during the following  
31 fiscal year shall be given priority over requests for rebates

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1 that are applied for during that following fiscal year.

2 (9) The department shall determine and publish on a  
3 regular basis the amount of rebate funds remaining in each  
4 fiscal year.

5 Section 11. Paragraph (ccc) is added to subsection (7)  
6 of section 212.08, Florida Statutes, to read:

7 212.08 Sales, rental, use, consumption, distribution,  
8 and storage tax; specified exemptions.--The sale at retail,  
9 the rental, the use, the consumption, the distribution, and  
10 the storage to be used or consumed in this state of the  
11 following are hereby specifically exempt from the tax imposed  
12 by this chapter.

13 (7) MISCELLANEOUS EXEMPTIONS.--Exemptions provided to  
14 any entity by this chapter do not inure to any transaction  
15 that is otherwise taxable under this chapter when payment is  
16 made by a representative or employee of the entity by any  
17 means, including, but not limited to, cash, check, or credit  
18 card, even when that representative or employee is  
19 subsequently reimbursed by the entity. In addition, exemptions  
20 provided to any entity by this subsection do not inure to any  
21 transaction that is otherwise taxable under this chapter  
22 unless the entity has obtained a sales tax exemption  
23 certificate from the department or the entity obtains or  
24 provides other documentation as required by the department.  
25 Eligible purchases or leases made with such a certificate must  
26 be in strict compliance with this subsection and departmental  
27 rules, and any person who makes an exempt purchase with a  
28 certificate that is not in strict compliance with this  
29 subsection and the rules is liable for and shall pay the tax.  
30 The department may adopt rules to administer this subsection.

31 (ccc) Equipment, machinery, and other materials for



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1 renewable energy technologies.--

2 1. As used in this paragraph, the term:

3 a. "Biodiesel" means the mono-alkyl esters of  
4 long-chain fatty acids derived from plant or animal matter for  
5 use as a source of energy and meeting the specifications for  
6 biodiesel and biodiesel blends with petroleum products as  
7 adopted by the Department of Agriculture and Consumer  
8 Services. Biodiesel may refer to biodiesel blends designated  
9 BXX, where XX represents the volume percentage of biodiesel  
10 fuel in the blend.

11 b. "Ethanol" means nominally anhydrous denatured  
12 alcohol produced by the fermentation of plant sugars and  
13 meeting the specifications for fuel ethanol and fuel ethanol  
14 blends with petroleum products as adopted by the Department of  
15 Agriculture and Consumer Services. Ethanol may refer to fuel  
16 ethanol blends designated EXX, where XX represents the volume  
17 percentage of fuel ethanol in the blend.

18 c. "Hydrogen fuel cells" means equipment using  
19 hydrogen or a hydrogen-rich fuel in an electrochemical process  
20 to generate energy, electricity, or the transfer of heat.

21 2. The sale or use of the following is exempt from the  
22 tax imposed by this chapter:

23 a. Hydrogen-powered vehicles, materials incorporated  
24 into hydrogen-powered vehicles, and hydrogen-fueling stations,  
25 up to \$2 million in tax each state fiscal year.

26 b. Commercial stationary hydrogen fuel cells, up to \$1  
27 million in tax each state fiscal year.

28 c. Materials used in the distribution of biodiesel  
29 (B10-B100) and ethanol (E10-E100), including fueling  
30 infrastructure, transportation, and storage, up to \$1 million  
31 in tax each state fiscal year. The costs of retrofitting a

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1 gasoline fueling station pump for ethanol (E10-E100)  
2 distribution qualifies for the exemption provided by this  
3 subsection.

4 3. The Department of Environmental Protection shall  
5 provide to the department a list of items eligible for the  
6 exemption.

7 4.a. The exemption shall be available to a purchaser  
8 through a refund of previously paid taxes.

9 b. To be eligible to receive the exemption, a  
10 purchaser shall file an application with the Department of  
11 Environmental Protection. The application shall be developed  
12 by the Department of Environmental Protection, in consultation  
13 with the department, and shall require:

14 (I) The name and address of the person claiming the  
15 refund.

16 (II) A specific description of the purchase for which  
17 a refund is sought, including, when applicable, a serial  
18 number or other permanent identification number.

19 (III) The sales invoice or other proof of purchase  
20 showing the amount of sales tax paid, the date of purchase,  
21 and the name and address of the sales tax dealer from whom the  
22 property was purchased.

23 (IV) A sworn statement that the information provided  
24 is accurate.

25 c. Within 30 days after receipt of an application, the  
26 Department of Environmental Protection shall review the  
27 application and shall notify the applicant of any  
28 deficiencies. Upon receipt of a completed application, the  
29 Department of Environmental Protection shall evaluate the  
30 application for exemption and issue a written certification  
31 that the applicant is eligible for a refund or issue a written

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1 denial of such certification within 60 days. The Department of  
2 Environmental Protection shall provide the department with a  
3 copy of each certification issued upon approval of an  
4 application.

5 d. Each certified applicant shall be responsible for  
6 forwarding a certified copy of the application and copies of  
7 all required documentation to the department within 6 months  
8 after certification by the Department of Environmental  
9 Protection.

10 e. The provisions of s. 212.095 do not apply to any  
11 refund application made pursuant to this paragraph. A refund  
12 approved pursuant to this paragraph shall be made within 30  
13 days after formal approval by the department.

14 f. The department shall adopt rules governing the  
15 manner and form of refund applications and may establish  
16 guidelines as to the requisites for an affirmative showing of  
17 qualification for exemption under this paragraph.

18 g. The Department of Environmental Protection shall be  
19 responsible for ensuring that the exemptions do not exceed the  
20 limits provided in subparagraph 2.

21 5. The Department of Environmental Protection shall  
22 determine and publish on a regular basis the amount of sales  
23 tax funds remaining in each fiscal year.

24 6. This exemption is repealed July 1, 2010.

25 Section 12. Paragraph (y) is added to subsection (7)  
26 of section 213.053, Florida Statutes, to read:

27 213.053 Confidentiality and information sharing.--

28 (7) Notwithstanding any other provision of this  
29 section, the department may provide:

30 (y) Information relative to ss. 212.08(7)(ccc) and  
31 220.192 to the Department of Environmental Protection for use

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1 in the conduct of its official business.

2

3 Disclosure of information under this subsection shall be  
4 pursuant to a written agreement between the executive director  
5 and the agency. Such agencies, governmental or  
6 nongovernmental, shall be bound by the same requirements of  
7 confidentiality as the Department of Revenue. Breach of  
8 confidentiality is a misdemeanor of the first degree,  
9 punishable as provided by s. 775.082 or s. 775.083.

10 Section 13. Subsection (8) of section 220.02, Florida  
11 Statutes, is amended to read:

12 220.02 Legislative intent.--

13 (8) It is the intent of the Legislature that credits  
14 against either the corporate income tax or the franchise tax  
15 be applied in the following order: those enumerated in s.  
16 631.828, those enumerated in s. 220.191, those enumerated in  
17 s. 220.181, those enumerated in s. 220.183, those enumerated  
18 in s. 220.182, those enumerated in s. 220.1895, those  
19 enumerated in s. 221.02, those enumerated in s. 220.184, those  
20 enumerated in s. 220.186, those enumerated in s. 220.1845,  
21 those enumerated in s. 220.19, those enumerated in s. 220.185,  
22 ~~and~~ those enumerated in s. 220.187, and those enumerated in s.  
23 220.192.

24 Section 14. Section 220.192, Florida Statutes, is  
25 created to read:

26 220.192 Renewable energy technologies investment tax  
27 credit.--

28 (1) DEFINITIONS.--For purposes of this section, the  
29 term:

30 (a) "Biodiesel" means biodiesel as defined in s.  
31 212.08(7)(ccc).

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1       (b) "Eligible costs" means:

2           1. Seventy-five percent of all capital costs,  
3 operation and maintenance costs, and research and development  
4 costs incurred between July 1, 2006, and June 30, 2010, up to  
5 \$3 million per state fiscal year for all taxpayers, in  
6 connection with an investment in hydrogen powered vehicles and  
7 hydrogen vehicle fueling stations in the state, including, but  
8 not limited to, the costs of constructing, installing, and  
9 equipping such technologies in the state.

10           2. Seventy-five percent of all capital costs,  
11 operation and maintenance costs, and research and development  
12 costs incurred between July 1, 2006, and June 30, 2010, up to  
13 a limit of \$1.5 million per state fiscal year for all  
14 taxpayers, and limited to a maximum of \$12,000 per fuel cell,  
15 in connection with an investment in commercial stationary  
16 hydrogen fuel cells in the state, including, but not limited  
17 to, the costs of constructing, installing, and equipping such  
18 technologies in the state.

19           3. Seventy-five percent of all capital costs,  
20 operation and maintenance costs, and research and development  
21 costs incurred between July 1, 2006, and June 30, 2010, up to  
22 a limit of \$6.5 million per state fiscal year for all  
23 taxpayers, in connection with an investment in the production,  
24 storage, and distribution of biodiesel (B10-B100) and ethanol  
25 (E10-E100) in the state, including, but not limited to, the  
26 costs of constructing, installing, and equipping such  
27 technologies in the state. The costs of retrofitting a  
28 gasoline fueling station pump for ethanol (E10-E100)  
29 distribution qualifies as an eligible cost under this  
30 subsection.

31           (c) "Ethanol" means ethanol as defined in s.

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1 212.08(7)(ccc).

2 (d) "Hydrogen fuel cell" means hydrogen fuel cell as  
3 defined in s. 212.08(7)(ccc).

4 (2) TAX CREDIT.--For tax years beginning on or after  
5 January 1, 2007, a credit against the tax imposed by this  
6 chapter shall be granted in an amount equal to the eligible  
7 costs. Credits may be used in taxes years beginning January 1,  
8 2007, through December 31, 2010, after which the credit shall  
9 expire. If the credit is not fully used in any one tax year  
10 because of insufficient tax liability on the part of the  
11 corporation, the unused amount may be carried forward and used  
12 in tax years beginning January 1, 2007, through December 31,  
13 2012, after which the credit carryover expires and may not be  
14 used. A taxpayer that files a consolidated return in this  
15 state as a member of an affiliated group under s. 220.131(1)  
16 may be allowed the credit on a consolidated return basis up to  
17 the amount of tax imposed upon the consolidated group. Any  
18 eligible cost for which a credit is claimed and which is  
19 deducted or otherwise reduces federal taxable income shall be  
20 added back in computing adjusted federal income under s.  
21 220.13.

22 (3) APPLICATION PROCESS.--Any corporation wishing to  
23 obtain tax credits available under this section must submit to  
24 the Department of Environmental Protection an application for  
25 tax credit that includes a complete description of all  
26 eligible costs for which the corporation is seeking a credit  
27 and a description of the total amount of credits sought. The  
28 Department of Environmental Protection shall make a  
29 determination on the eligibility of the applicant for the  
30 credits sought and certify the determination to the applicant  
31 and the Department of Revenue. The corporation must attach the

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1 Department of Environmental Protection's certification to the  
 2 tax return on which the credit is claimed. The Department of  
 3 Environmental Protection shall ensure that the corporate  
 4 income tax credits granted in each fiscal year do not exceed  
 5 the tax credit limits set forth in this section. The  
 6 Department of Environmental Protection is authorized to adopt  
 7 the necessary rules, guidelines, and application materials for  
 8 the application process.

9 (4) ADMINISTRATION; AUDIT AUTHORITY; RECAPTURE OF  
 10 CREDITS.--

11 (a) In addition to its existing audit and  
 12 investigation authority, the Department of Revenue may perform  
 13 any additional financial and technical audits and  
 14 investigations, including examining the accounts, books, and  
 15 records of the tax credit applicant, that are necessary to  
 16 verify the eligible costs included in the tax credit return  
 17 and to ensure compliance with this section. The Department of  
 18 Environmental Protection shall provide technical assistance  
 19 when requested by the Department of Revenue on any technical  
 20 audits or examinations performed pursuant to this section.

21 (b) It is grounds for forfeiture of previously claimed  
 22 and received tax credits if the Department of Revenue  
 23 determines, as a result of either an audit or examination or  
 24 from information received from the Department of Environmental  
 25 Protection, that a taxpayer received tax credits pursuant to  
 26 this section to which the taxpayer was not entitled. The  
 27 taxpayer is responsible for returning forfeited tax credits to  
 28 the Department of Revenue, and such funds shall be paid into  
 29 the General Revenue Fund of the state.

30 (c) The Department of Environmental Protection may  
 31 revoke or modify any written decision granting eligibility for

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1 tax credits under this section if it is discovered that the  
 2 tax credit applicant submitted any false statement,  
 3 representation, or certification in any application, record,  
 4 report, plan, or other document filed in an attempt to receive  
 5 tax credits under this section. The Department of  
 6 Environmental Protection shall immediately notify the  
 7 Department of Revenue of any revoked or modified orders  
 8 affecting previously granted tax credits. Additionally, the  
 9 taxpayer must notify the Department of Revenue of any change  
 10 in its tax credit claimed.

11       (d) The taxpayer shall file with the Department of  
 12 Revenue an amended return or such other report as the  
 13 Department of Revenue prescribes by rule and shall pay any  
 14 required tax and interest within 60 days after the taxpayer  
 15 receives notification from the Department of Environmental  
 16 Protection that previously approved tax credits have been  
 17 revoked or modified. If the revocation or modification order  
 18 is contested, the taxpayer shall file as provided in this  
 19 paragraph within 60 days after a final order is issued  
 20 following proceedings.

21       (e) A notice of deficiency may be issued by the  
 22 Department of Revenue at any time within 3 years after the  
 23 taxpayer receives formal notification from the Department of  
 24 Environmental Protection that previously approved tax credits  
 25 have been revoked or modified. If a taxpayer fails to notify  
 26 the Department of Revenue of any changes to its tax credit  
 27 claimed, a notice of deficiency may be issued at any time.

28       (5) RULES.--The Department of Revenue shall have the  
 29 authority to adopt rules relating to the forms required to  
 30 claim a tax credit under this section, the requirements and  
 31 basis for establishing an entitlement to a credit, and the



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1 examination and audit procedures required to administer this  
2 section.

3 (6) PUBLICATION.--The Department of Environmental  
4 Protection shall determine and publish on a regular basis the  
5 amount of available tax credits remaining in each fiscal year.

8 ===== T I T L E A M E N D M E N T =====

9 And the title is amended as follows:

10 On page 3, lines 2 and 3, delete those lines

11  
12 and insert:

13 publish certain information; amending s.  
14 220.13,

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